



SUPPLEMENTAL

COUNCIL AGENDA: 09-07-04

ITEM: 6.3

Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Katy Allen

**SUBJECT: GREATER GARDNER STREET
RECONSTRUCTION - DELMAS
AVENUE PROJECT**

DATE: 08-31-04

Approved

Date

8-31-04

Council District: 3
SNI: Greater Gardner

REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

RECOMMENDATION

Report on bids and award of contract for the Greater Gardner Street Reconstruction – Delmas Avenue Project to the low bidder, Wattis Construction Company, Inc., in the amount of \$416,664, and approval of a contingency in the amount of \$42,000.
CEQA: Exempt, PP04-07-215.

BACKGROUND

The Greater Gardner Strong Neighborhoods Initiative (SNI) Area has identified the repair and reconstruction of streets, sidewalks and related systems as its top priority. Poor soil conditions have led to settlement of the majority of streets in the Gardner area. An engineering analysis was performed to determine the cause of the settlement and appropriate methods of mitigation. In addition, analysis was performed to determine which streets had the greatest need for reconstruction. Delmas Avenue between Virginia Street and Route 280 (map attached) was identified as the top priority in the neighborhood.

The project will completely reconstruct Delmas Avenue. Specifically, new paving, curb and gutter, sidewalk, driveways, wheelchair ramps and street trees will be installed. Also, this project will improve the storm drainage system and replace deteriorated sanitary sewer laterals and install sanitary sewer cleanouts.

Construction is scheduled to begin in November 2004 with completion in February 2005.

ANALYSIS

Bids were opened on August 19, 2004 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
O'Grady Paving, Inc. (Mountain View)	\$542,649.05	\$60,069.05	12
Engineer's Estimate	482,580.00		
Wattis Construction Company, Inc (San Jose)	416,664.00	65,916.00	(14)

The low bid submitted by Wattis Construction Company is 14 percent below the Engineer's Estimate. The bid is considered reasonable for the work involved in the project. The variance can be attributed to the competitive bidding climate at this time of the year and in the context of the general state of the local economy.

Council Policy provides for a standard contingency of ten percent on public works project involving excavation. The standard contingency is appropriate for this project. The funds budgeted for this project are sufficient to provide for the recommended contingency.

PUBLIC OUTREACH

On May 24, 2004, staff held a community meeting to present the scope and give the public an opportunity to comment on the proposed project.

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memo have been coordinated with the Departments of Transportation and Planning, Building, and Code Enforcement, Redevelopment Agency, the City Manager's Budget Office and the City Attorney's Office.

COST IMPLICATIONS

1 COST OF RECOMMENDATION: \$416,664

2. COST OF PROJECT

Project Delivery	\$ 199,000 *
Construction	416,664
Contingency	42,000
TOTAL	\$ 657,664

* \$73,000 of the Project Delivery Costs were expended in prior fiscal years.

3 SOURCE OF FUNDING 001 – General Fund
 545 – Sewer Service and Use Charge Capital Improvement Fund

- 4 FISCAL IMPACT:** This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2004-05 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
001	6788	Street Reconstruction Projects	122705	\$840,000	\$330,664	Page 808	N/A
545	4271	Miscellaneous Rehabilitation Projects	122705	\$4,250,000	\$86,000	Page 159	N/A
		Total		\$5,090,000	\$416,664		

CEQA

Exemption, PP04-07-215, dated July 13, 2004

Katy Allen

KATY ALLEN
 Director, Public Works Department

GREATER GARDNER STREET RECONSTRUCTION
DELMAS AVENUE
(W. VIRGINIA ST. TO ROUTE 280)

